

UTAH COUNTIES INDEMNITY POOL

BOARD OF TRUSTEES MEETING

Thursday, May 9, 2013, 1:00 p.m.

Ramada, 1440 E. St. George Boulevard, St. George, UT

AGENDA

12:00 Lunch Provided at 1410 E. St. George Boulevard
Brick Oven

1:00 Call to Order and Welcome Attendees
Bruce Adams

ITEM INFORMATION / ACTION

1 Review/Excuse Board Members Absent
Bruce Adams

2 Review/Approve March 21, 2013 Meeting Minutes
Steve Wall

3 Ratification and Approval of Payments and Credit Card Transactions
Steve Wall

4 Zions Wealth Advisors Quarterly Investment Review
Sonya White

5 Review/Approve First Quarter Financial Statements
Sonya White

6 Review/Approve Sponsorship Policy
Johnnie Miller

7 Set Date and Time for Closed Meeting
to Discuss Character, Professional Competence, Physical/Mental Health of an Individual
Bruce Adams

8 Action on Personnel Matters
Bruce Adams

9 Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation
Bruce Adams

10 Action on Litigation Matters
Dave Blackwell

INFORMATION

11 Law Enforcement Committee Report
Cameron Noel

12 Personnel Committee Report
Brad Dee

13 Chief Executive Officer's Report
Johnnie Miller

14 Other Business
Bruce Adams



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Utah Counties Indemnity Pool: Board of Trustees

Entity: Utah Counties Indemnity Pool

Public Body: [Board of Trustees](#)

Subject: Administrative Services

Notice Title: Board of Trustees Meeting

Notice Type: Meeting

Notice Date & Time: May 9, 2013 | 1:00 PM - 4:00 PM

Description/Agenda:

Call to Order and Welcome Attendees
Review/Excuse Board Members Absent
Review/Approve March 21, 2013 Meeting Minutes
Ratification and Approval of Payments and Credit Card Transactions
Zions Wealth Advisors Quarterly Investment Review
Review/Approve First Quarter Financial Statements
Review/Approve Sponsorship Policy
Set Date and Time for Closed Meeting
to Discuss Character, Professional Competence, Physical/Mental Health of an Individual
Action on Personnel Matters
Set Date and Time for Closed Meeting
to Discuss Pending or Reasonably Imminent Litigation
Action on Litigation Matters
Law Enforcement Committee Report

Personnel Committee Report
Chief Executive Officer's Report
Other Business

Notice of Special Accommodations:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, PO Box 95730, South Jordan, UT 84095, or call 800-339-4070, at least three days prior to the meeting.

Notice of Electronic or telephone participation:

Any Member of the Utah Counties Indemnity Pool Board of Trustees may participate telephonically.

Other information:

This notice was posted on: May 06, 2013 08:17 PM
This notice was last edited on: May 06, 2013 08:17 PM

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Meeting Location:

1440 E. St. George Blvd
St. George , 84770

[Map this!](#)

Contact Information:

Sonya White
801-565-8500
sonya@ucip.utah.gov

Download Attachments:

- [Agenda.pdf](#)

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BOARD OF TRUSTEES' MEETING MINUTES

May 9, 2013, 1:00 p.m.
Ramada, 1440 E. St. George Boulevard, St. George, UT

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Jim Eardley, *Vice President*, Washington County Commissioner
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk/Auditor
Alma Adams, Iron County Commissioner
David Blackwell, Emery County Attorney
Bill Cox, Rich County Commissioner
Brad Dee, Weber County Human Resources Director
Kerry Gibson, Weber County Commissioner
Karla Johnson, Kane County Clerk/Auditor
Bret Millburn, Davis County Commissioner
Cameron Noel, Beaver County Sheriff
Mike Wilkins, Uintah County Clerk/Auditor

BOARD MEMBERS ABSENT

Jerry Hurst, Tooele County Commissioner

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Kathe Liuzzi, UCIP Loss Control Manager

Call to Order

Bruce Adams called this meeting, of the Utah Counties Indemnity Pool's Board of Trustees, to order at 1:00 p.m. on May 9, 2013 and welcomed those in attendance. Kathleen Liuzzi was introduced as the new UCIP Loss Control Manager.

Review/Excuse Board Members Absent

Karla Johnson made a motion to excuse Jerry Hurst from this meeting. Alma Adams seconded the motion, which passed unanimously.

Approve March 21, 2013 Meeting Minutes

The minutes, of the Board of Trustees meeting held March 21, 2013, were previously sent to the Board Members for review (see attachment number one). Steve Wall made a motion to approve the March 21, 2013 meeting minutes as written. Karla Johnson seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Steve Wall reviewed the payments made, payments to be made and credit card transactions with the Board (see attachment number two). Steve Wall made a motion to approve the payments made, payments to be made and credit card transactions. Karla Johnson seconded the motion, which passed unanimously.

UTAH COUNTIES INDEMNITY POOL

PO Box 95730, South Jordan, UT 84095-0730

Phone (801)565-8500 ☎ Fax (801)568-0495 ☎ ucip.utah.gov

Zions Wealth Advisors Quarterly Investment Review

Sonya White reported that she met with Greg Aiken and Scott Burnett, Zions Wealth Advisors, to review the status of UCIP's investments as of the first quarter 2013. Sonya explained that Zions is holding two-thirds of the monies, allocated for investments, in the Utah State Treasurer's Fund. The Fund is earning a higher yield than securities within a five year maturity. Zions will be monitoring the effects of House Bill 257, State Treasurer Amendments, which increases the allowable term to final maturity on fixed rate securities from 13 to 15 months and on variable rate securities from two to three years.

Sonya White provided the Board with the first quarter Balance sheet and Risk Summary charts, the annual Earned Interest Comparison sheet and the April *Heard Off The Street* publication (see attachment number two). Comparing the quarter ending March 31, 2013, Zions interest rate of .85% continues to out-perform the Fund's rate of .57%. The Fund allows for up to 10% of total monies to be invested in any one issue. On behalf of the Pool, Zions has taken a more conservative approach and stays between 5-6% of total monies for any one issue. Written by Perry Piazza, Zions issues a market and economic commentary providing regular updates on financial conditions and trends, titled: *Heard Off The Street*.

Review/Approve First Quarter Financial Statements

Sonya White explained that she is still working on the draft first quarter financial statements and requested that they be reviewed at the next Board meeting. Karla Johnson made a motion to strike agenda item: *Review/Approve First Quarter Financial Statements*. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve Sponsorship Policy

Johnnie Miller explained that each year UCIP receives sponsorship requests by member counties for charitable events. The Board has provided management with direction for sponsorship at affiliate events as long as UCIP has been given time on their agendas. The Board wants UCIP to be represented at member events. Jim Eardley made a motion that UCIP sponsorship requests, at member charitable events, will be reviewed and approved by the Board, prior to the event. Management is authorized to determine the amount of the sponsorship based on monies available under the approved budget. Bill Cox seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Bill Cox made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual*. Bret Millburn seconded the motion, which passed unanimously.

Action on Personnel Matters

Bill Cox made a motion to strike agenda item: *Action on Personnel Matters*. Bret Millburn seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

David Blackwell made a motion to strike agenda item: *Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation*. Karla Johnson seconded the motion, which passed unanimously.

Action on Litigation Matters

David Blackwell made a motion to strike agenda item: *Action on Litigation Matters*. Karla Johnson seconded the motion, which passed unanimously.

Law Enforcement Committee Report

Cameron Noel reported that the Sheriff's Association has hired former Director, Gary DeLand, as a consultant for the jails. Sheriff Tracy of Utah County is acting Director of the Association. Roland Cook is the new Director of the Department of Corrections (DOC). Roland is working towards filling the jails before the new prison is built. Johnnie Miller explained that the DOC has projected that every jail in Utah will be full by 2015. UCIP will closely watch the increased risk associated with growth in jails. Currently, UCIP attorneys are doing a great job getting jail claims dismissed. The Sheriff's Associations next monthly meeting is scheduled for May 10 in Juab County.

Personnel Committee Report

Brad Dee reported that this year's Personnel Workshop was a great success and, because he was involved in other business, thanked Sonya White for organizing the event.

Chief Executive Officer's Report

Johnnie Miller reported that he has been meeting and working with Tooele County officials regarding the issues that may arise from the County's budgeting issues. He apologized for not getting out to the other member counties.

Johnnie Miller reported that in April, UCIP conducted the following training for members: the Fair Workshop, Risk Coordinator's Workshop and the Planning and Zoning Conference. The trainings were well attended and the presenters were excellent. Attendees at the Planning and Zoning Conference stated that the UCIP training was far superior to the National training they had attended. Budget issues kept some members from attending the training sessions. Jim Eardley requested a condensed version of the Planning and Zoning Conference to be conducted in Washington County where planners from Iron and Kane Counties also attended. Kathe Liuzzi and Sonya White will work towards providing smaller regional training sessions to accommodate all members.

Johnnie Miller explained that UCIP Management has been attending the monthly Sheriff's Association meetings for 20 years. At the last meeting, a representative from the Utah Local Governments Trust attended. Anywhere county officials are meeting, the Trust continues to show up.

Johnnie Miller reported that he met with Duchesne County Officials regarding the poor decision from the courts and new information to appeal in the Hancock matter. Tribal litigation is preventing the County from wanting to pursue the appeal. Several Native American groups are bringing claims against counties over land. Jesse Trentadue has been retained to work with the County Attorneys; damages have not been claimed.

Johnnie Miller participated in a telephonic conference with County Reinsurance Limited Management and Board Members regarding cyber liability coverage. When applying for grants, it is now required to show proof of cyber liability coverage. UCIP's current Coverage Addendum does not exclude this type of coverage but CRL will be issuing an exclusion then add an endorsement to add the coverage. Johnnie will be meeting with the CRL Board next week and will provide additional information to the UCIP Board at its next meeting.

Other Business

The next meeting of the Board of Trustees will be held Friday, June 7, 2013, 8:00 a.m. at the Golden Age Center, Vernal, UT

Approved on this 7th day of June 2013


Steve Wall, Secretary/Treasurer

Utah Counties Indemnity Pool

Payments

March 22 - May 9, 2013

Type	Date	Num	Name	Memo	Amount
ML Expense					
Liability Check	03/28/2013		QuickBooks Payroll Service	Created by Payroll Service on 03/25/2013	-9,925.08
Liability Check	04/12/2013		QuickBooks Payroll Service	Created by Payroll Service on 04/09/2013	-10,045.67
Liability Check	04/29/2013		QuickBooks Payroll Service	Created by Payroll Service on 04/24/2013	-13,210.71
Check	03/31/2013			Service Charge	-81.92
Liability Check	03/26/2013	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270348510716985	-3,975.74
Liability Check	03/26/2013	ONLINE	Utah State Tax Commission	Confirmation Number: 1-286-345-216	-1,328.91
Liability Check	03/26/2013	ONLINE	Utah Retirement Systems	Confirmation Number: 032524523981	-5,554.94
Liability Check	03/26/2013	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-1,536.71
Liability Check	04/17/2013	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270350723850131	-4,027.74
Liability Check	04/30/2013	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270352015899585	-5,146.66
Liability Check	04/30/2013	ONLINE	Utah State Tax Commission	Confirmation Number: 1-460-040-192	-1,538.09
Liability Check	04/30/2013	ONLINE	Utah Retirement Systems	Confirmation Number: 04295708960	-6,119.64
Liability Check	04/30/2013	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-1,536.71
Check	03/26/2013	VISA	Wells Fargo	Account Number: 4856 2002 0207 3691	-611.00
Check	03/26/2013	VISA	Wells Fargo	Account Number: 4856 2002 0207 3675	-489.07
Check	04/24/2013	VISA	Wells Fargo	Account Number: 4856 2002 0207 3691	-554.40
Check	04/24/2013	VISA	Wells Fargo	Account Number: 4856 2002 0207 3675	-1,063.11
Check	03/25/2013	6677	Rich County	Mileage Reimbursement (Bill Cox)	-129.95
Check	03/25/2013	6678	Jerry Hurst	Mileage Reimbursement	-50.85
Check	03/25/2013	6679	Dave Blackwell	Mileage Reimbursement	-176.28
Check	03/25/2013	6680	Jim Eardley	Mileage Reimbursement	-339.00
Check	03/25/2013	6681	Bruce Adams	Expense Reimbursement	-344.42
Check	03/25/2013	6682	Steven Wall	Mileage Reimbursement	-166.11
Check	03/25/2013	6683	Mike Wilkins	Mileage Reimbursement	-205.66
Check	03/25/2013	6684	Alma Adams	Expense Reimbursement	-221.32
Check	03/25/2013	6685	Johnnie R. Miller	Expense Reimbursement	-898.49
Bill Pmt -Check	03/25/2013	6686	Paetec	Invoice Number: 5295117	-696.52
Bill Pmt -Check	03/25/2013	6687	Whitney Advertising & Design, Inc.	Invoice Number: 16640	-860.56
Check	03/29/2013	6688	PEHP-LTD	Coverage Period: MAR 2013	-171.62
Bill Pmt -Check	03/29/2013	6689	Media One of Utah	Account Number: 02012013	-50.35
Bill Pmt -Check	03/29/2013	6690	Wisam Smith Racker & Prescott	Invoice Number: 191185	-9,500.00
Bill Pmt -Check	04/01/2013	6691	End Point Corporation	Invoice Number: UC1301	-60.00
Bill Pmt -Check	04/01/2013	6692	Western AgCredit	Invoice Number: 4-2013	-11,111.00
Bill Pmt -Check	04/01/2013	6693	Revco Leasing Company, LLC	Invoice Number: 322873	-815.89
Liability Check	04/01/2013	6694	Public Employees Health Program	Policy Number 1076 (March)	-4,648.34
Check	04/17/2013	6695	Korby M. Siggard	Mileage Reimbursement	-318.10
Check	04/18/2013	6696	Johnnie R. Miller	Expense Reimbursement	-392.41
Liability Check	04/18/2013	6697	Opticare of Utah	Invoice Number: 34330	-46.68
Bill Pmt -Check	04/18/2013	6698	Arthur J. Gallagher & Co.	Invoice Number: 465874	-1,514.10
Bill Pmt -Check	04/18/2013	6699	McDonald Fielding PLLC	Invoice Number: 20423	-66.00
Bill Pmt -Check	04/18/2013	6700	Pitney Bowes Global Financial Serv...	Invoice Number: 1528795-AP13	-199.00
Bill Pmt -Check	04/18/2013	6701	Strong & Hanni	Invoice Number: 122037	-202.50
Bill Pmt -Check	04/18/2013	6702	Utah Safety Council	Invoice Number: FD2407	-5,500.00
Bill Pmt -Check	04/18/2013	6703	Utah State Mail	Invoice Number: L9155832	-112.50
Check	04/30/2013	6704	PEHP-LTD	Coverage Period: APR 2013	-195.14
Bill Pmt -Check	04/30/2013	6705	Arthur J. Gallagher & Co.	Invoice Number: 496854	-8,129.00
Bill Pmt -Check	04/30/2013	6706	By The Numbers Actuarial Consultin...	Invoice Number: 2013-090	-2,000.00
Bill Pmt -Check	04/30/2013	6707	Paetec	Invoice Number: 5405038	-696.26

Utah Counties Indemnity Pool

Payments

March 22 - May 9, 2013

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	04/30/2013	6708	Tr-Tel Communications, Inc.	Invoice Number: 158011	-175.00
Bill Pmt -Check	04/30/2013	6709	Whitney Advertising & Design, Inc.	Invoice Number: 16718	-721.66
Bill Pmt -Check	04/30/2013	6710	Whitney Advertising & Design, Inc.	Invoice Number: 16727	-802.30
Check	05/01/2013	6711	Garfield County	2012 Workers Comp Payroll Audit	-1,027.46
Check	05/01/2013	6712	Iron County	2012 Workers Comp Payroll Audit	-1,142.06
Check	05/01/2013	6713	Juab County	2012 Workers Comp Payroll Audit	-213.95
Check	05/01/2013	6714	Sanpete County	2012 Workers Comp Payroll Audit	-1,637.96
Check	05/01/2013	6715	Tooele County	2012 Workers Comp Payroll Audit	-8,100.22
Check	05/01/2013	6716	Susan Grassl Andersen	PW Speaker Travel Reimbursement	-272.00
Check	05/01/2013	6717	Workers Compensation Fund	2012 Member Payroll Audit	-109,445.92
Bill Pmt -Check	05/03/2013	6718	Johnnie R. Miller	Expense Reimbursement	-1,245.55
Check	05/03/2013	6719	Kathleen M. Luzzi	Expense Reimbursement	-60.00
Bill Pmt -Check	05/03/2013	6720	Premiere Global Services	Invoice Number: 13085222	-104.92
Bill Pmt -Check	05/03/2013	6721	Western AgCredit	Invoice Number: 5-2013	-10,215.00
Total ML Expense					-251,728.15
TOTAL					-251,728.15

ZIONS® Wealth Advisors

Balance Sheet Classification (ZWA-UCIP)

3/31/2013

Cash Equivalent (3)

Cashp/SIN	Description	Curr Face	Sector	Rating	Coupon	Maturity	EFF Maturity	Pur Yield	Yield	Orig Cost	Amort Cost	Unreal G/L	Price	Accr Int	Fair Value	Mkt Value
654080001	UT St Treasurer's Public Inv Pool A	1,338,215.44	Cash	NNNNNA	0.000	---	---	0.000	0.000	1,338,215.44	1,338,215.44	0.00	1.000	0.00	1,338,215.44	1,338,215.44
CCVUSD	US Dollar	-651.91	Cash	AAA/AAA/AAA	0.000	---	---	0.000	0.000	-651.91	-651.91	0.00	1.000	0.00	-651.91	-651.91
CCVUSD	Net Receivables/Payables	651.91	Cash	AAA/AAA/AAA	0.000	---	---	0.000	0.000	651.91	651.91	0.00	1.000	0.00	651.91	651.91
		1,338,215.44	---	---	---	---	---	0.000	0.000	1,338,215.44	1,338,215.44	0.00	---	0.00	1,338,215.44	1,338,215.44

65.54%

1,338,215.44

Marketable Securities (6)

Cashp/SIN	Description	Curr Face	Sector	Rating	Coupon	Maturity	EFF Maturity	Pur Yield	Yield	Orig Cost	Amort Cost	Unreal G/L	Price	Accr Int	Fair Value	Mkt Value
06051GEF2	BANK OF AMERICA CORP	100,000.00	Financial	A-/Baa2/A	1.722	01/20/2014	01/20/2014	1.055	0.916	100,925.00	100,572.71	124.29	100.697	291.70	100,697.00	100,988.70
225434AP4	CREDIT SUISSE USA INC	150,000.00	Financial	A+/A1/A	0.565	04/12/2013	04/12/2013	1.877	1.490	147,364.50	149,939.35	2.15	99.961	178.06	149,941.50	150,119.56
36962GAW1	GENERAL ELEC CAP CORP	200,000.00	Financial	AA+/A1/NR	1.155	01/07/2014	01/07/2014	1.579	0.666	198,410.00	199,386.28	1,403.72	100.395	539.00	200,790.00	201,329.00
3814JUSB8	GOLDMAN SACHS GROUP INC	100,000.00	Financial	A-/A3/A	1.296	02/07/2014	02/07/2014	2.418	0.907	97,842.00	99,076.41	1,276.59	100.353	190.73	100,353.00	100,543.73
428236G7	HEWLETT-PACKARD CO	100,000.00	Industrial	BBB-/Baa1/A-	0.568	05/24/2013	05/24/2013	1.211	0.799	99,042.83	99,903.37	58.63	99.962	55.23	99,962.00	100,017.23
44976BAN2	ING BANK NV	50,000.00	Financial	A+/A2/A+	1.581	06/09/2014	06/09/2014	0.989	0.882	50,508.74	50,422.97	68.03	100.982	49.02	50,491.00	50,540.02
		700,000.00	---	---	---	---	---	1.593	0.947	694,093.07	699,201.09	2,933.41	---	1,303.74	702,234.50	703,538.24

34.46%

703,538.24

Summary

Total Orig Face / Shares	Total Curr Face / Shares	Yield	Purchase Yield	Total Orig Cost	Total Book Value	Total Amort Cost	Total Unreal G/L	Total Accr Int	Total Fair Value	Total Mkt Value
2,038,215.44	2,038,215.44	0.33	0.55	2,032,306.51	2,038,820.27	2,037,516.53	2,933.41	1,303.74	2,040,449.94	2,041,753.68

2,041,753.68

ZIONS® Wealth Advisors

UCIP

Approximate Earned Interest Comparison

DATE	Utah PTIF ¹	Account #8913870	March 2012 - March 2013		
			Ave. Funds Invested ³	Approx. Total Int. ⁴	Approx. Diff. Interest ⁵
03/31/12	0.78%	1.55%	\$2,020,777	\$2,697.18	\$1,339.89
04/30/12	0.78%	1.55%	\$2,023,820	\$2,614.10	\$1,298.62
05/31/12	0.78%	1.49%	\$2,025,594	\$2,598.95	\$1,238.43
06/30/12	0.77%	1.86%	\$2,026,561	\$3,143.53	\$1,843.16
07/31/12	0.77%	1.49%	\$2,029,560	\$2,604.04	\$1,258.33
08/31/12	0.76%	1.50%	\$2,032,179	\$2,629.10	\$1,299.15
09/30/12	0.76%	1.25%	\$2,034,245	\$2,115.61	\$827.26
10/31/12	0.73%	1.13%	\$2,036,006	\$1,985.53	\$705.67
11/30/12	0.71%	1.13%	\$2,037,240	\$1,918.40	\$713.03
12/31/12	0.68%	1.06%	\$2,037,827	\$1,868.68	\$675.42
01/31/13	0.64%	1.01%	\$2,039,417	\$1,767.76	\$643.81
02/28/13	0.60%	1.03%	\$2,040,481	\$1,637.83	\$685.60
03/31/13	0.57%	0.85%	\$2,041,101	\$1,502.58	\$507.77
Totals				\$29,083.29	\$13,036.14

¹ Utah PTIF	Utah Public Treasurers Fund 360-day yield annualized and reported by the Utah State Treasurer; see http://www.treasurer.utah.gov/ptifrate.html
² Account #8913870	Zions Wealth Advisors 360-day yield net of fees, as reported on UCIP 3 monthly statements
³ Ave. Funds Invested	Average daily balance in the account for the month reported
⁴ Approx. Total Int.	Approximate total interest earned for the month reported. Cash flows are approximate and should not be used for tax or accounting purposes
⁵ Approx. Diff. Int.	Approximate differential in interest earned in the ZWA client account versus the PTIF for the month reported. Cash flows are approximate and should not be used for tax or accounting purposes

Contango Capital Advisors is a registered investment adviser and a non-bank affiliate of Zions Bank and a non-bank subsidiary of Zions Bancorporation. In Utah and Idaho, Contango operates under the name Zions Wealth Advisors. Investment products and services are not insured by the FDIC or any federal or state governmental agency, are not deposits or other obligations of, or guaranteed by, Zions Bank, Zions Bancorporation or its affiliates, and may be subject to investment risks, including the possible loss of principal value or amount invested. CCA #1010-0117

Please see accompanying page for additional disclosures

Risk Summary (ZWA-UCIP)

3/31/2013

Dated: 5/6/2013

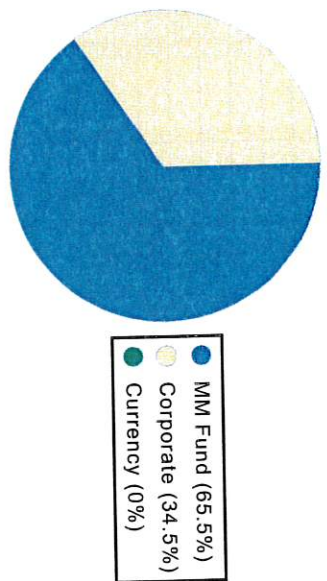
Summary

Cash	1,338,215.44
Fixed Income	703,538.24
Duration	0.029
Convexity	0.000
Weighted Avg Life	0.199
Weighted Avg Maturity	0.199
Weighted Avg Eff Maturity	0.199
Yield	0.326%
Purchase Yield	0.549%
Avg Credit Rating	A+/A1/A+

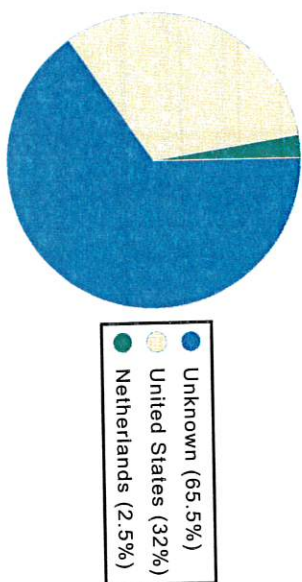
Issuer Concentration

MMF - UT St Treasurer's Public In...	65.5%
General Electric Company	9.9%
Credit Suisse Group AG	7.4%
Bank of America Corporation	4.9%
The Goldman Sachs Group, Inc.	4.9%
Hewlett-Packard Company	4.9%
Stichting ING Aandelen	2.5%
Net Payables/Receivables	0.0%

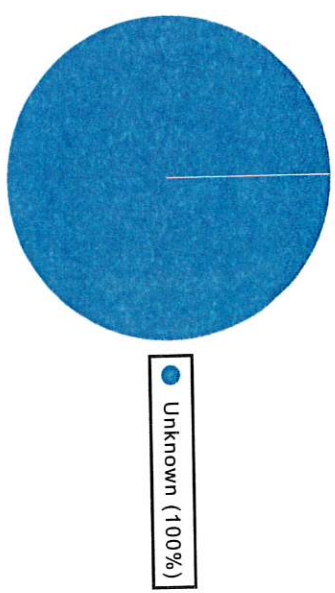
Security Type



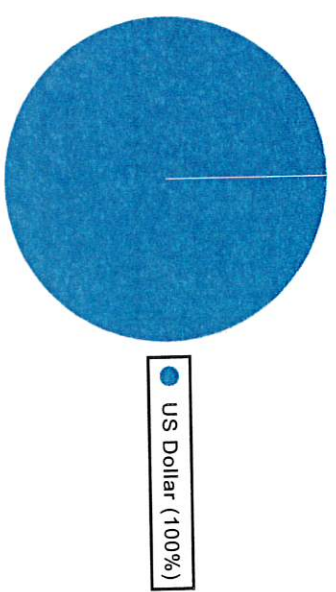
Country



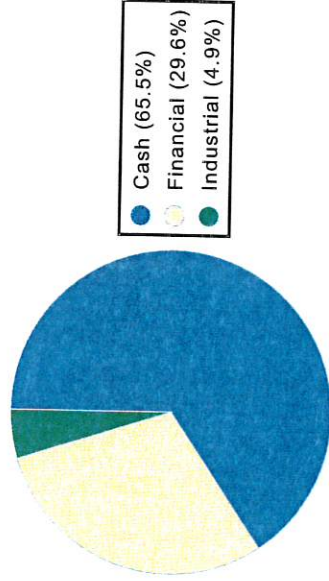
MMF Asset Allocation



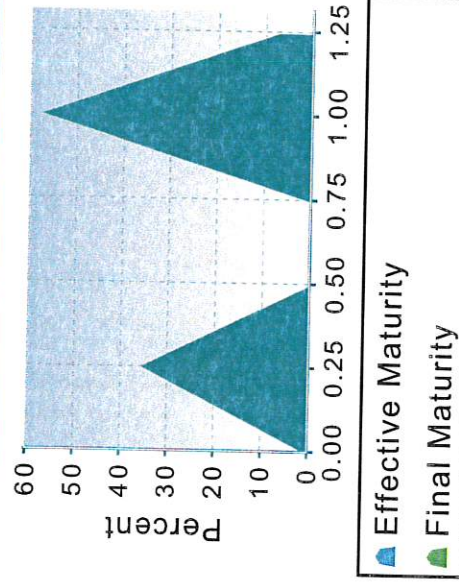
Currency



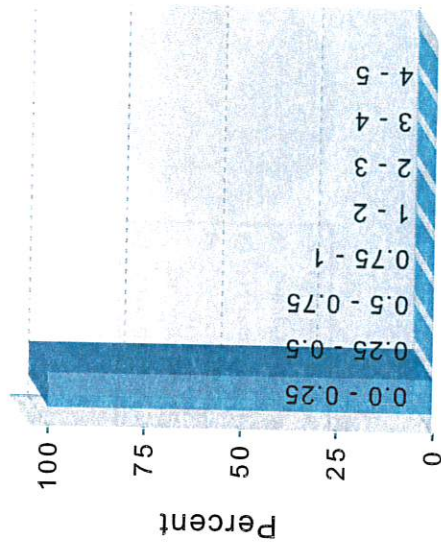
Market Sectors



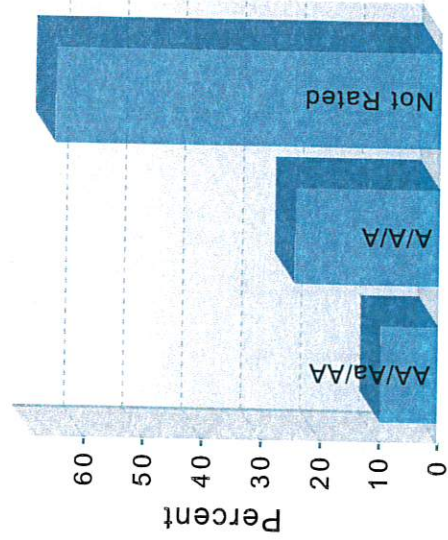
Time to Maturity (Years)



Duration



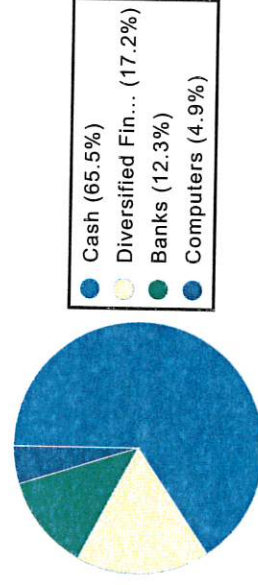
Credit Ratings



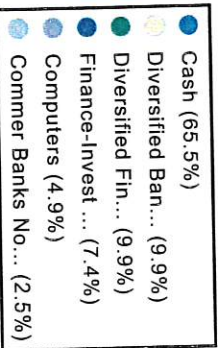
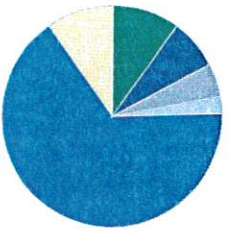
Credit Duration

	0.0 - 0.25	0.25 - 0.5	0.5 - 0.75	0.75 - 1	1 - 2	2 - 3	3 - 4	4 - 5
AAA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AA	9.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A	24.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BBB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CCC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NA	65.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Industry Sectors



Industry Subsectors



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ZIONS® WEALTH ADVISORS

Market & Economic Commentary

Heard Off The Street: Deflation vs. Inflation

April 30, 2013

The Investment Strategy Group of Contango Capital Advisors provides regular updates on economic and financial conditions and trends. Today we look at why inflation has remained tame.

The battle rages on, in the real economy and amongst economists and the man on the street. Everyone seems to have an opinion on inflation. And *we* continue to look for signs that would indicate that a bout of higher inflation is imminent. These include watching broader money supply aggregates, commodity prices, and economic factors such as the labor participation rate and capacity utilization.

For now, no such warning signs have emerged. Thus far inflation has been positive for sure but pretty well contained despite oodles of Federal Reserve (base) money printing.

We believe the reason for this is that the deleveraging cycle, which was brought on by high aggregate debt levels and tipped over once and for all by the financial crisis has been drawn out by the extraordinary measures taken by governments and central banks in the wake of that crisis. These include Keynesian-style spending programs, bank recapitalizations, and asset price support from central banks. Thus, private sector deleveraging, which might have taken a year or so to accomplish in a Great Depression-like washout scenario has been extended and is taking place over something more like a decade.

In this environment, market based price signals are distorted and businesses can be fooled into capital misallocations. For example, aggressive spending programs by the U.S. (e.g., extended unemployment benefits or the 'cash for clunkers' program) and Chinese (e.g. infrastructure spending) governments have kept demand for steel and automobiles higher than they otherwise would have been, and both industries are probably still oversupplied on a global basis. This keeps price competition fierce because players with higher costs of production or inferior products can hang in there longer.

Market distortion is a byproduct of reflationary policy efforts and one the Fed and the administration are willing to live with to avoid a Japanese or Southern European style deflation scenario.

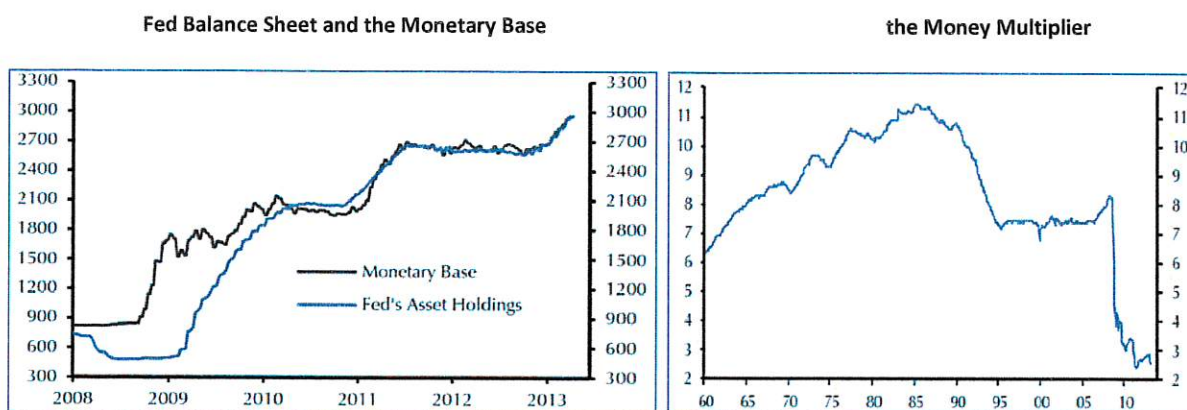
The Fed knows that a little inflation is better than deflation because debt levels (government and private sector) still remain high by historical standards and inflation erodes the real value of that debt over time. The Japan experience is a good and recent

example of how a deflationary spiral can develop into a long term economic problem. As a result, the Fed is likely to remain in a reflationary posture for a while longer. Our expectation is for bond buying to continue until the unemployment rate drops to about 7%. Then we're likely to see a tapering off of those purchases as wage pressure builds. At that point the Fed is likely to stop purchases all together and possibly let the Fed Funds rate float higher as well.

The fact that inflation hasn't spiked has provided a sort of goldilocks backdrop for investors. Both bonds and stocks have done well in the post crisis period and only commodities have been pretty weak (recall the excess supply by-product of a drawn out deleveraging cycle).

I think that the precursor to higher inflation - if it arrives - will be a combination of broad money supply growth of greater than 10% annually combined with an unemployment rate below 7%. Below that rate, companies will probably need to compete harder and with more dollars for labor. Higher broad money supply growth will indicate that a more durable capex cycle has emerged as companies put dollars to work to upgrade stale productive capital. And more dollars will move from the banks into the real economy as these projects are undertaken with a broad mix of debt and equity capital. But for now the tinder remains unlit.

Reference Charts (source: Capital Economics)



The fed has created a couple trillion of new base money yet broader monetary aggregates such as M3 have not grown nearly as fast leading to a collapse in the so-called Money Multiplier, the ratio of broad money (utilized in the real economy) to base money. It is the annual growth rate of M3 that most closely tracks CPI inflation. It is estimated to be growing at about 6% annually (the Fed no longer publishes the number, but some private economists such as Capital Economics do).

The opinions expressed above are solely those of Contango Capital Advisors and do not necessarily reflect the views of Zions Bancorporation, its affiliates or its management.

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